

## Message Text

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51

ACTION IO-10

INFO OCT-01 EUR-12 ISO-00 EB-07 FBO-06 A-01 ABF-01 OMB-01

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R 231810Z DEC 74

FM AMCONSUL MONTREAL

TO SECSTATE WASHDC 5791

UNCLAS MONTREAL 2029

FROM USREP ICAO

E. 9. 11652: N/A

TAGS: EAIR, ICAO

SUBJ: ICAO - NEW BUILDING

1. AT END OF DEC 20 COUNCIL MEETING SECGEN MADE MAJOR ANNOUNCEMENT REGARDING NEW BUILDING. HE WAS CONTACTED BY DEVELOPER ON DEC 16 WHO ADVISED HIM THAT MORTGAGE FUNDS COULD NOT BE FOUND AND HE WILL HALT WORK ON THE BUILDING WHEN PRESENT FUNDING RUNS OUT (SOON). THE FINISHING WORK WILL NOT BE STARTED. THIS WAS FOLLOWED UP BY DEC 19 TELEGRAM TO SECGEN STATING THAT "INCREASING COSTS HAVE ASSUMED SUCH PROPORTIONS THAT THE PRESENT LEASE INOPERABLE, WORK STOPPING, AND CLAIMING STATE OF "FORCE MAJEUR UNDER TERMS OF LEASE."

2. SECGEN REPLYING IN TELEGRAM DEC 20 CATEGORICALLY REJECTING "FORCE MAJEUR" AND HOLDING DEVELOPER RESPONSIBLE FOR EXECUTION OF LEASE.

3. SECGEN CONSULTING WITH GOC (IN CLOSE TOUCH WITH CANADIAN COUNCIL REP). SECGEN HAS REQUESTED APPOINTMENT WITH MINISTER EXTERNAL AFFAIRS/OTTAWA.

4. AMONG OTHERS, FRANCE INTERVENED POINTING OUT GOC ALREADY DEEPLY INVOLVED AND ICAO SHOULD WORK THROUGH GOC. FYI: CANADIAN REP VERY ACTIVE IN APPROACHES TO COUNCIL MEMBERS TO WARD OFF ANY FURTHER FINANCIAL REQUEST BY ICAO FROM GOC.

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SPECIFICALLY HE HAD ASKED FRANCE REP TO TAKE INITIATIVE IN

DRIVE TO AVOID FURTHER REQUESTS OF GOC. FRENCH INTERVENTION IS CONFUSING, HOWEVER, BECAUSE ALTHOUGH NEBULOUS, REP SEEMED TO BE SUGGESTING FURTHER GOC INVOLVEMENT. INFORMALLY, UKREP ADVISED USREP THAT, AT THIS STAGE, BEST PROCEDURE MAY BE TO LET DEVELOPER TAKE BANKRUPTCY AND START OVER ON PROJECT WITH SOMEONE ELSE. END FYI.

5. COUNCIL DISCUSSION POINTED OUT THAT RECESS EXISTS UNTIL JAN 20. IF COUNCIL MEETING REQUIRED DURING RECESS, SEVEN DAYS NOTICE MUST BE GIVEN. HOWEVER, SECGEN INTENDS PREPARE DETAILED HISTORY OF PROJECT AND INFORMATION PAPERS. HE ANTICIPATES IT MAY BE MID-JANUARY BEFORE ADEQUATE INFORMATION CAN BE CIRCULATED.

6. SPECULATION THAT DEVELOPER PLAYING GAME TO SQUEEZE FURTHER MONEY FROM ICAO AND/OR GOC SEEMS UNREALISTIC. THIS STEP IS TOO SERIOUS FOR THAT KIND OF MANEUVER. HOWEVER, INSPITE OF TIGHT OVERALL ECONOMIC SITUATION, MAJOR CONSTRUCTION FOR '76 OLYMPICS SEEMS WELL FINANCED AND PROCEEDING INSPITE OF LABOR STRIKES, ETC. QUITE POSSIBLY AVAILABLE MONEY WENT TO OLYMPICS PROJECTS TO DETRIMENT OF OTHERS. IN ANY CASE, IT HAS BEEN APPARENT TO THOSE OF US VISITING NEW AVIATION BUILDING FROM TIME TO TIME THAT PROJECT AT NEAR STANDSTILL.

7. REGARDING MINOR FUNDING FOR NEW US OFFICES, NO INTERIOR WORK OF THIS KIND UNDER WAY AND SEEMS UNLIKELY THAT FUNDS WILL BE NEEDED THIS FISCAL YEAR. HOWEVER, FINAL DECISION CANNOT NOT BE MADE UNTIL LATE JAN.  
HARPER

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**TAGS:** EAIR, ABLD, ICAO  
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